

21 March, 2001

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Year	Average price of ROM coal (Rs. per tonne)
1983-84 (8.1.84)	183.00
2000-01 (31.1.2001)	653.67

Thus, annualised increase of price over a period of 18 year is 8.28%.

(c) No, Sir.

(d) The overall profit and loss for the year 1983-84 and 1999-2000 as per the audited accounts are loss of Rs. 242.68 crores and profit of Rs. 693.87 crores respectively. The annualised growth rate of annual profit from the year 1983-84 to 1999-2000 is 9.42%.

Cost overrun on coal projects

2710. SHRI R. P. GOENKA: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that 17 of the key coal projects are facing cost overruns of Rs. 10,325 crores as against an original cost of Rs. 9,170 crores and are also behind schedule by upto 96 months from the original date of completion;

(b) if so, the details of each such project with reasons for huge cost and time overruns and whether any responsibility has been fixed therefor;

(c) the steps taken to speed up their completion; and

(d) the details of machinery established to monitor implementation of such projects and proposals, if any, to make it more effective?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SYED SHAHNAWAZ HUSSAIN): (a) and (b) Out of 17 major coal/lignite projects (costing Rs. 100 crores and above), 10 are time overruns. Out of these, 5 are also facing cost overruns. Details of these projects giving, *inter alia*, reasons for time/cost overruns are given in the Statement enclosed. (See below).

Projects facing cost and time overruns are subjected to scrutiny by a Standing Committee set up in the Ministry of Coal to fix responsibility for cost and time overruns occurred during implementation of these projects. Recommendations of the Committee regarding fixation of responsibility etc. are complied with.

(c) Revised Project Reports, Revised Cost Estimates and Foreclosure Reports, wherever necessary, have been prepared and are in the process of approval to speed up implementation of these projects without further cost and time overruns.

(d) Following are the steps taken by the Govt. to expedite implementation of the projects:—

(i) Coal companies have been directed to monitor implementation of coal projects regularly and rigorously. In the coal companies, a three-tier structure for monitoring the projects i.e. at colliery level, area level and headquarter level is in existence.

(ii) Projects costing Rs. 20 crores and above are being monitored by the Ministry of Programme Implementation, Government of India based on inputs of coal companies on quarterly basis.

(iii) Implementation of coal projects costing Rs. 100 crores and above is often subjected to review by the Cabinet Secretariat as also by Prime Minister's Office.

(iv) Review of major coal projects i.e. projects costing Rs. 100 crores and above is conducted on quarterly basis by an Inter-Ministerial Committee headed by Secretary (Coal) and having members from Planning Commission, Department of Expenditure, Ministry of Programme Implementation and Ministry of Environment and Forests.

(v) Based on the results of the above reviews, appropriate directions are sent by the Government (Ministry of Coal) to the coal companies for taking timely remedial action to overcome the shortcomings.

(vi) Timely availability of land and forestry clearance, wherever required, being crucial for successful implementation of coal projects, constant interaction is made by the Ministry of Coal with

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Ministry of Environment and Forests as also with the State Government authorities for expediting the same.

(vii) Coal companies are also extended help at the Government level to expedite supply of equipment by suppliers of original equipments like HEC, MAMC, BHEL, Jessop & Company etc. by interacting through the Department of Heavy Industry, Government of India.

(viii) Sophisticated geological and geophysical exploration techniques and interpretation mechanism are being progressively introduced for better forecasting of geo-mining conditions.

Statement

Time and cost overrun projects (Costing Rs. 100 crore & above) in Coal and Lignite Sector

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Sl. No.	Name of the company	Type	Date of sanction	Sanc- tioned cost (Rs. crs.)	Ant. cost (Rs. crs.)	Date of compli- mentation (Anti- cipated)	Date of PR comple- tion (Anti- cipated)	Time over runs (month)	Reasons for time & cost overrun
1.	ECL	Khottadih (UG+OC)	June, 89	267.52	378.52	Mar, 98	Mar, 2003	60	Fund constraints Project became cost overrun mainly due to variation in exchange rate.
2.	CCL	Parej East OC	Mar, 93	116.19	162.88	Mar, 98	Mar, 2001	36	Fund constraints, delay in finalisation of World Bank loan & rehabilita- tion of PAEs.
3.	NCL	Dudhichua Expn. OC	Aug, 92	868.93	1281.39	Mar, 98	Mar, 2004	72	Fund constraints, delay in finalization of World Bank loan
4.	ECL	Jamabad OC	Apr, 97	136.88	39.15	Mar, 98	Mar, 2004	72	Fire Problem

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5.	ECL	Jhanjra Ph-IUG	Aug, 95	403.96	403.96	Mar, 98	Mar, 2002	48	Fund constraints
6.	ECL	Satgram UG	Sep, 90	148.26	119.73	Mar, 95	Mar, 2003	96	Law & order problem & fund constraints.
7.	BCCL	Pootkee Ballihari UG	Dec, 83	199.87	182.06	Mar, 94	Mar, 2001	84	Adverse geo-mining condition
8.	NLC	Mine-I Expansion	Mar, 92	1336.93	1652.22	May, 99	Apr, 2003	47	Cost overrun occurred due to normal escalation and exchange rate variations. Time overrun occurred due to delay in signing of loan agreement with M/s. KFW. Delay in sanctioning of linked power projects, expenditure kept in abeyance.
9.	NLC	TPS I Expansion	Feb, 96	1590.58	1438.09	Feb, 01	May, 02	15	Delay in signing of the loan agreement by M/s. KFW, the funding agency for the project (13 months).

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10.	NLC	Mine IA	Feb, 98	1032.81	1107.93	Feb, 01	Apr, 02	14	Cost due to increase in interest during construction due to time overrun. Time overrun due to delay in EMP clearance by MoEF.